

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

**LAURA FAUGHT and STEVEN
FAUGHT, on behalf of themselves and
all others similarly situated,**

Plaintiffs,

v.

**AMERICAN HOME SHIELD
CORPORATION,**

Defendant.

Case No.: 2:07-CV-1928-RDP

**SECOND STATUS REPORT REGARDING
BUSINESS PRACTICE CHANGES**

Pursuant to Paragraph 5.3A of the Stipulation of Settlement (the “Settlement”) herein, plaintiffs Laura and Steven Faught (the “Faughts”) and defendant American Home Shield Corporation (“AHS”) hereby advise the Court that they have continued to consult, by and through counsel, concerning AHS’s communications, business practices and other AHS business concerns.

Notwithstanding anything else herein, neither the fact of, nor any provision contained herein, nor any action taken hereunder, shall constitute or be construed as an admission of any liability or wrongdoing, or recognition of the validity of any allegation of fact or contention of law made by the Faughts in this Action or anyone else in any other Suit. The following summarizes the parties’ discussions

and agreements from the filing of the first Status Report Regarding Business Practice Changes (Doc. 97) through the date of this Second Status Report Regarding Business Practice Changes concerning these issues:¹

1. AHS agrees to use commercially reasonable efforts to, within 24 months after the Effective Date, institute a process whereby AHS sends to each customer, as to whom a claim has been denied (in whole or in part), a reason or reasons in writing (whether by letter or email) for the denial, including a specific reference to the section and item number in the customer's contract that contained the coverage exclusion that formed the basis for the denial.
2. AHS agrees to use commercially reasonable efforts to, as of the Effective Date, include a requirement in its Service Agreement with each contractor within the Contractor Network that (a) the contractor notify AHS before beginning any non-covered services for a customer to whom AHS has dispatched such contractor on a service call where coverage has been denied, and (b) upon request, the contractor provide AHS a list of the contractor's standard rates and charges for non-covered services.

¹ Capitalized terms, unless otherwise defined, have the meaning ascribed to them in the Settlement. Any agreement made by AHS as reflected in this Second Status Report Regarding Business Practice Changes shall be subject to the notice and opportunity to cure provisions of Paragraph 11.1 of the Settlement.

3. AHS agrees to use commercially reasonable efforts to, as of the Effective Date, utilize a methodology for internally measuring the performance of contractors within the Contractor Network in which the contractor's number of denied claims is not a factor in such measurement.

/s/ John E. Goodman
One of the Attorneys for Defendant
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CERTIFICATE OF SERVICE

I hereby certify that on January 13, 2011, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following:

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and I hereby certify that I have served by facsimile and U.S. Mail the document to the following non-CM/ECF participants:

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/s/ John E. Goodman

John E. Goodman